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Chair: Ms. King ..... (Saint Vincent and the Grenadines)
Chair of the Advisory Committee on Administrative and Budgetary Questions: Mr. Ruiz Massieu

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The meeting was called to order at 10.05 a.m.

Agenda item 141: United Nations common system
(A/71/30 and A/71/564; A/C.5/71/3)

1. **Mr. Rhodes** (Chair of the International Civil Service Commission), introducing the report of the International Civil Service Commission (ICSC) for the year 2016 (A/71/30), said that the Commission had welcomed the General Assembly's approval of the majority of its recommendations following the first phase of the review of the common system compensation package, which had focused on staff in the Professional and higher categories. The Assembly, in its resolution 70/244, had invited the Commission to present, at the current session, a progress report on the implementation of the new package. The relevant information, provided through the CEB Human Resources Network, was set out in annex III to the report. The Commission, while expressing concern regarding the delay in implementation by some organizations, had taken note of the information. Work had now begun on the next phase of the review, dealing with the use of categories of staff in the common system. That was a complex matter requiring careful study, as the decisions taken might have a profound impact on the way in which the international civil service was structured in the future.

2. In its resolution 70/244, the General Assembly had approved the Commission's recommendation to introduce a unified base/floor salary scale for staff in the Professional category, which would become effective on 1 January 2017 and under which the family status of staff members was disregarded and the number of steps in each grade was aligned. Furthermore, the revised scale set out in annex V to the report reflected the Assembly's decision that the scale would be adjusted to reflect the movement of comparator salaries between the time of approval of the scale and its implementation date. In line with the usual practice, the recommended 1.02 per cent increase in the salary scale was proposed on a no gain/no loss basis, with a commensurate reduction in post adjustment.

3. The Commission had continued, under a standing mandate from the General Assembly, to monitor the net remuneration margin, which was the relationship between the net remuneration of United Nations staff in the Professional category in New York and that of officials in comparable positions in the United States federal civil service in Washington, D.C. As requested by the Assembly the previous year, the Commission had continued action to bring the calendar year margin to around the desirable midpoint of 115. Over the past year, the margin had continued its downward trend, moving from 117.2 in 2015 to 114.1 in 2016. The latter figure was based on the latest personnel statistics from the United Nations System Chief Executives Board for Coordination (CEB).

4. The new round of cost-of-living surveys at headquarters duty stations and Washington, D.C., was currently under way and would provide the basis for cost-of-living comparisons and expenditure weights for the next five years or so. In that regard, the Commission's secretariat was implementing, in collaboration with administrations and staff associations based at the relevant duty stations, a number of enhancements to the post adjustment methodology and operational rules, as recommended by the Advisory Committee on Post Adjustment Questions and approved by the Commission, including a revised list of items and specifications; the use of external data collected under the European Comparison Programme for all covered group I duty stations; a redesigned web-based staff expenditures survey and other data collection forms; and revised procedures and guidelines for data collection. Further information could be found in the report. The Commission would report on the results of the surveys in 2017.

5. In 2009, the Commission had recommended that end-of-service severance pay should be introduced for fixed-term staff separating from the Organization upon the expiration of their contract after 10 or more years of continuous service, on the grounds, inter alia, that such a benefit would allow organizations more flexibility in establishing an appropriate mix of continuing and fixed-term contracts. The General Assembly had decided, in its resolution 65/248, to revert to that recommendation at the current session. The Commission was resubmitting the recommendation in the light of the evolution of the contractual framework and recent separation trends in common system organizations, and also its view that recent developments in field and peacekeeping activities supported the need for organizations to have a mechanism to reward long-serving and productive staff

who left owing to the closing or downsizing of missions.

6. In response to a request made by the General Assembly in its resolution 70/244, the Commission had reviewed the progress made by organizations of the common system in the implementation of existing gender policies and measures towards achieving the goal of 50/50 gender balance. On the basis of its findings, it urged organizations to continue implementing those policies and measures. In 2017, the Commission would holistically review all issues relating to inclusiveness and diversity and report to the General Assembly accordingly.

7. In accordance with established practice, the Commission's report included not only its recommendations to the General Assembly but also its recommendations to the executive heads of all common system organizations, which covered the salaries and dependency allowances of locally recruited staff. On the basis of its salary surveys for staff in the General Service and Language Teacher categories in Geneva, the Commission recommended that the Geneva-based organizations should implement new salary scales that were 1.8 per cent lower than the existing scales. The General Assembly, in its resolution 68/253, had requested that the Commission should not increase the allowances under its purview until it had conducted the comprehensive review of the compensation package for staff in the Professional and higher categories. Following the Assembly's decision to lift the freeze on the increases of allowances for the General Service and related categories as from 1 January 2016, the Commission had requested its secretariat to conduct an ad hoc one-time review of the levels of the dependency allowances in Madrid, London, New York and Geneva, which otherwise would not have been reviewed until the next round of surveys in 8 to 10 years' time. On the basis of that review, the Commission recommended revised levels of dependency allowances for those locations with effect from the next interim adjustment to the salary scales. In the case of London, retroactive implementation from May 2016, the date of the first interim adjustment after the date of the lifting of the freeze by the General Assembly, was recommended. The Commission would continue to review the level of allowances in accordance with the schedule outlined in annex IV to the report.

8. The Commission had reviewed the human resources management framework that had been in place since 2000 in order to determine whether it remained relevant and up to date and had approved a revised framework that provided the conceptual basis for linking human resources management functions and organizational results. It was strategic, staff-centred and results-based and highlighted the role of human resources management in helping organizations to meet their goals. Outcomes and indicators had been added with a view to promoting the active participation of the human resources management function in policy, planning and strategic change management decisions in organizational contexts where results orientation was important. The framework was designed as a "living" document that could be updated as necessary and that would allow organizations to create linkages with their own relevant human resources policies.

9. **Mr. Huisman** (Director, Programme Planning and Budget Division), introducing the statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly on the administrative and financial implications of the decisions and recommendations contained in the report of the International Civil Service Commission for the year 2016 (A/C.5/71/3), said that four decisions and recommendations set out in the Commission's report would give rise to programme budget implications: the introduction of separation payments for fixed-term staff with 10 or more years of continuous service; the introduction of the revised unified base/floor salary scale for the Professional and higher categories; the adjustment of the salary scales for the General Service and Language Teacher categories in Geneva; and the adjustment of dependency allowances for the General Service and related categories. The financial implications for the programme budget for the biennium 2016-2017 and for the proposed programme budget for the biennium 2018-2019 of those decisions and recommendations were estimated at $3.3 million and $5.3 million respectively.

10. The Commission also recommended a reduction in salary scales for staff in the General Service and Language Teacher categories in Geneva recruited on or after 1 June 2016, while the salary scales would be frozen for existing staff in accordance with standard practice. The programme budget for 2016-2017 would therefore be reduced in line with the related inflation

projections, after taking into account the recently completed consumer price index review. The amount of the reduction would be available in the coming weeks. Those and other budget implications for the biennium 2016-2017 would be addressed, as necessary, in the context of the first and second performance reports. Budget implications for the biennium 2018-2019 would be taken into account in the context of the proposed programme budget for that biennium.

11. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/71/564), noted that the Secretary-General's statement indicated that, pending finalization of the possible interim adjustment to the salary scales of General Service and other locally recruited categories in Geneva due in September 2016, the financial implications of the freeze of the salary scales for existing staff could not be determined. The Advisory Committee had expressed its expectation that information on the projected savings in 2016 resulting from the implementation of the recommended salary scale for those categories would be provided in the first performance report for the biennium 2016-2017. The Advisory Committee would therefore revert to the matter in the context of its consideration of that report. It recommended that the General Assembly should take note of paragraph 17 of the Secretary-General's statement.

12. **The Chair**, in accordance with General Assembly resolution 35/213, invited a representative of the Federation of International Civil Servants' Associations (FICSA) to make a statement. She also invited a representative of the Coordinating Committee for International Staff Unions and Associations of the United Nations System (CCISUA) to make a statement.

13. **Mr. El-Tabari** (Federation of International Civil Servants' Associations) said that FICSA had participated in the first phase of the review of the common system compensation package and in general was satisfied with the outcome. It would also participate in the second phase of the review. One issue of concern to staff, however, was the intention to increase the use of National Professional Officers for regional or international functions; care should be taken in that regard to respect the requirements of the Charter of the United Nations. FICSA supported the introduction of end-of-service severance pay and hoped that the Committee, too, would support it.

14. FICSA was concerned about the lack of effective whistle-blower protection at some organizations, in particular the World Intellectual Property Organization (WIPO), and he encouraged Committee members to consult his full written statement for further details in that regard. On pension matters, FICSA and CCISUA had been denied an opportunity at the recent session of the United Nations Joint Staff Pension Board to deliver a joint statement setting out their concerns about the United Nations Joint Staff Pension Fund; their request to have the statement attached to the report as an annex had also been refused. Such censorship of staff views was a matter of serious concern. The joint statement was therefore included as an annex to his current statement for the Committee's information.

15. FICSA was pleased to note that most organizations of the common system had undertaken to raise the mandatory age of separation for staff recruited before 1 January 2014 to 65 years by 1 January 2018, in line with General Assembly resolution 70/244, but was concerned that the Food and Agriculture Organization of the United Nations (FAO), the International Civil Aviation Organization (ICAO) and WIPO had not committed themselves to meeting that deadline. Lastly, the implementation of Umoja and the introduction of the global service centres had taken too long and had been costly for the Organization rather than saving it money. FICSA was in favour of an independent assessment of those two projects.

16. **Mr. Richards** (Coordinating Committee for International Staff Unions and Associations of the United Nations System (CCISUA)) said that CCISUA supported the proposal to introduce separation payments for staff whose fixed-term appointments were not renewed after 10 years of continuous service, since such staff currently received nothing, in contrast to those whose continuing appointments were terminated or whose fixed-term appointments were cut short. Moreover, the comparator service provided unemployment benefit regardless of the manner in which a contract lapsed, while the European Commission provided indemnities in the event of non-renewal after six months of service, the World Bank after five years of service and the Organization

for Economic Cooperation and Development (OECD) after six years of service. Even though the 10-year term proposed by the International Civil Service Commission was rather long, it was a good start. In the four years since the issue had last been considered, the proportion of staff on fixed-term appointments with 10 or more years of continuous service had halved, owing to an increase in time-defined field activities and better workforce planning. As a result, only 0.2 per cent of staff in the common system would be eligible for the benefit, which thus had minor financial implications.

17. With regard to the review of the common system compensation package, CCISUA was concerned that some of the changes approved, when cumulated, would have a significant negative impact on staff in certain situations and at certain duty stations, not least those with families in New York. CCISUA would be monitoring the impact closely and, together with FICSA, had commissioned a legal review.

18. CCISUA urged the Commission to include the Security category in its review of locally recruited staff. Members of the Security and Safety Service were specifically recruited from the experienced ranks of local law enforcement personnel and their pay should therefore be pegged to the pay of such personnel rather than to that of local office workers, as was currently the case. The Commission should also resume its salary survey for that category of staff. Furthermore, in the light of the deteriorating security context, CCISUA asked the General Assembly to reiterate the request it had made in its resolution 59/276 that the Secretary-General should elaborate further on his proposals concerning the professionalization of security personnel. Those proposals included subjecting contract renewal and promotion to the successful completion of psychological and physical tests; a lower age of retirement for lower-ranking officers; and a revised pension scheme to compensate for a lower retirement age.

19. Staff unions remained extremely concerned about developments within the Pension Fund. According to the Board of Auditors, 85 per cent of death-in-service cases and 91 per cent of retirement and withdrawal cases were processed with delays ranging from 16 days to more than one year. That was unacceptable. Furthermore, a draft report of the Office of Internal Oversight Services (OIOS) confirmed suspicions that the Fund had continuously failed to communicate reliable data to staff and retirees about late payments, no doubt in an effort to cover up the true extent of the problem. CCISUA questioned the Pension Board's conclusion that the performance of the Chief Executive Officer of the Fund had been satisfactory and hoped that the Assembly would recommend a search for a new candidate when the incumbent's contract expired in 2017. It also urged the Assembly to control the Fund's budget and reject the proposed establishment of new management and communication posts. The new financial rules adopted by the Board were a cause of concern, since they had the effect of taking the Fund one step further out of the United Nations and increasing risk. The Representative of the Secretary-General for the investment of the assets of the Fund had urged further study of the rules before a decision was made, but the Board had declined her request. CCISUA was also concerned that 15 per cent of the Fund's investments were currently outsourced; internal management of investments should be increased. Lastly, an urgent review of the Fund's governance was necessary. The Pension Board had 33 members who met once a year, whereas most boards of pension funds had only one third of that number of members and met once a month. Furthermore, despite accounting for 70 per cent of the Fund's beneficiaries, the United Nations held only a third of the seats on the Board.

20. **Ms. Supanya** (Thailand), speaking on behalf of the Group of 77 and China, said that the Group wished to reaffirm the principle that all staff serving under similar conditions should receive fair and equal treatment across the United Nations common system. The Group took note of the report of ICSC for the year 2016, in particular the decisions and recommendations having financial implications. It also noted with interest that the Commission had recommended the introduction of end-of-service severance pay in the organizations of the common system for fixed-term staff involuntarily separating from the Organization upon the expiration of their contract after 10 or more years of continuous service and would seek further clarification with regard to the duration of service proposed, the objective of the recommendation, the financial implications and the possible date of its implementation, taking into account the closure of some peacekeeping operations whose personnel were mostly on fixed-term contracts. The Group would also

be interested to learn more details concerning the estimated financial implications for the biennium 2016-2017 of the implementation of the outcome of the 2015 survey of the best prevailing conditions of employment in Geneva. Once the General Assembly had taken a decision on the Commission's recommendations, adequate resources should be appropriated for the full and immediate implementation of those recommendations.

21. **Mr. Fukuda** (Japan) said that his delegation supported the goal of the common system: to ensure the efficiency and effectiveness of the conditions of service of staff in all participating organizations. The system should be transparent, fair, simple and sustainable to ensure optimal motivation and confidence on the part of staff, the Organization's greatest asset.

22. His delegation was pleased to note that ICSC had begun its comprehensive review of the compensation package of the National Professional Officer and General Service and related categories and agreed with the Commission's observation that it was necessary to review the apparent overlap of functions between categories and to conduct further analysis on the current practice of nationalizing staff functions. The Commission should complete those reviews in a timely manner.

23. Consistent with the contractual framework adopted by the Commission in 2005 (A/60/30, annex IV), simplified and streamlined contractual arrangements that would better serve operational requirements and ensure transparency, fairness and consistency in the treatment of staff had been introduced. Since they had taken effect on 1 July 2009, the percentage of fixed-term appointments had dramatically increased. His delegation requested the Commission to analyse the impact of that contractual reform.

24. While respecting the Commission's decision to recommend the introduction of end-of-service severance pay, his delegation wished to point out that, according to the administrative instruction on the administration of temporary appointments (ST/AI/2010/4/Rev.1), former staff members were ineligible for re-employment on the basis of a temporary appointment for a period of 31 days following separation. Such staff members would therefore have no choice but to accept a separation payment since they were not allowed to be appointed to a temporary position even if they were eager to continue to serve at the United Nations. While the reasoning behind that limitation was understandable, the Commission and member organizations should harmonize unemployment benefit policy with re-employment policy.

25. Lastly, he expressed support for ICSC and trusted that it would continue to guide common system organizations toward more coherent and effective management.

26. **Mr. Upadhyay** (United States of America) said that capable and high-performing staff were essential in order for the Organization to fulfil its many complex and challenging mandates. Therefore one of the Committee's most important responsibilities was to establish and maintain conditions of service that could attract, retain and incentivize the best and the brightest. At the same time, with personnel costs exceeding three quarters of the budget of most organizations in the United Nations system and increasingly, over the past decade, crowding out resources for important programmatic work, it was essential to ensure that conditions of service were sustainable in an era of fiscal constraint. ICSC continued to help balance those imperatives. General Assembly resolution 70/244 was a testament to the thorough and thoughtful nature of the Commission's comprehensive review of conditions of service for staff in the Professional and higher categories and to the Committee's ability and willingness to engage with the staff and organizations of the United Nations system and, to the extent possible, take into account their views.

27. There was significant scope, during the next phase of the Commission's work, to review the General Service, Field Service and National Professional Officer categories, in particular with a view to rationalizing the use of internationally and locally recruited staff so that the common system organizations could deliver mandates more efficiently and effectively. His delegation looked forward to receiving in due course the Commission's recommendations in that regard. It also looked forward to discussing the other important issues referred to in the Commission's report, including the revised human resources framework, separation payments, efforts to improve gender balance and the review of the implementation of the framework for contractual arrangements.

28. **Ms. Maciel González** (Paraguay), thanking the Cost-of-living Division of ICSC for its support in providing data to her Government for its calculation of the post adjustment indexes for its Foreign Service, said that sufficient and appropriate resources should be allocated for the immediate and efficient implementation of the Commission's recommendations upon approval by the General Assembly. Her delegation recognized the essential role played by ICSC in harmonizing conditions of service across the United Nations common system through recommendations that would promote fair and equal treatment and also the equal participation of men and women in the Organization's work.

The meeting rose at 10.50 a.m.